

# Accountancy **News**

June 2004

## **AICPA NAMES GERALD BURNS TO AUDITING STANDARDS BOARD**

**NEW YORK (February 12, 2004)** – The American Institute of Certified Public Accountants has named Gerald W. Burns of Medford, OR, to its Auditing Standards Board.

Burns is one of 19 members serving on the Board, which develops auditing and attestation standards for U.S. private companies, not-for-profits, and state and local governments.

Burns, a retired partner of the firm of Moss Adams LLP, currently operates a CPA firm that bears his name. Licensed to practice in both Oregon and California, Burns is also a co-author of a book on accountancy. He served nine years on the Oregon Board of Accountancy, including one year as chair, and is a former member of the Board of Directors of the Oregon Society of CPAs. In addition, he served nine years on the board of directors of the National Association of State Boards of Accountancy serving as a Director, Secretary and Treasurer. Burns is a former member of the AICPA Continuing Professional Education Standards Subcommittee and is currently a member of the AICPA/NASBA International Qualifications Appraisal Board.

A recipient of the Oregon Society of CPAs Gold Medal Award for distinguished service, Burns was named one of the 100 Most Influential People in Accounting for several years by *Accounting Today*, a professional trade journal. He also is highly active in local civic organizations.

Burns received a bachelor degree in accounting from California State University at Long Beach.

The American Institute of Certified Public Accountants ([www.aicpa.org](http://www.aicpa.org)) is the national, professional organization of CPAs, with more than 340,000 members in business and industry, public practice, government, and education. It sets ethical standards for the profession and U.S. private auditing standards. It also develops and grades the Uniform CPA Examination, which converted to a computerized format in April 2004.

**Coming soon...** Licensees will be able to receive important information directly from the Board on an internet subscription service. Licensees who have previously submitted an e-mail address will be included in the subscription list. An individual who prefers not to receive this information, or who prefers to receive the information at a different e-mail address may unsubscribe from the service.

Subscribers will receive the Board of Accountancy newsletter, information that affects licensees, administrative rule revisions and information concerning professional issues.

### **Be aware.....**

Please keep your address current with the Board office. The Board office will accept address changes from licensees by letter, fax, e-mail, or from the Board web site. A civil penalty of \$100 will be assessed to licensees who do not notify the Board of an address change within 30 days of the change.

It is each licensee's responsibility to maintain current address information and to know when the license expires. Changing a firm address does not automatically update the employer address for individuals working for the firms. By the same token, a change of address notice for an individual license does not provide notice to change the address of that licensee's firm. Failure to receive a renewal notice is not a valid reason for failing to renew on time. If a permit is not renewed and the licensee continues to practice, the licensee may be subject to further disciplinary action for violations of ORS 673.320.

## **Civil penalties for violations relating to Board communications**

There are various occasions when Licensees are required to communicate with the Board of Accountancy or to respond to a communication from the Board. The Board of Accountancy is authorized to assess a civil penalty of up to \$5,000 for each violation of the administrative rules or the statutes. The Board does not impose the same penalty for every type of Board communication; rather the penalty may differ depending upon the rule that is in violation. Licensees should be aware of the following requirements and the civil penalties associated with each requirement.

OAR 801-030-0020(7) requires licensees to respond to any board communication within 21 days of the date of the correspondence. Board communications that are subject to this requirement include a statement that a response is required within 21 days. The licensee's response may be a letter requesting additional time and stating reasonable justification for the request. However such requests should be submitted promptly; if additional time is not approved, the response is still due within 21 days of the original communication from the Board. The Board may allow additional time if the reason for the request is based on circumstances that are outside of the licensee's control.

If the board communication is a notice letter of a complaint filed against the licensee, the penalty for not responding in a timely manner is \$1,000. The penalty for not responding in a timely manner to other Board communications that include a 21-day response notice is at least \$100.

OAR 801-030-0020(9) requires licensees to provide written notice of a change of address within 30 days of such change. This requirement applies to both individual licensees and firms. The civil penalty for failure to provide this notice to the Board is \$100. However there may be more serious consequences. If the licensee does not receive the renewal application (because it is mailed to the last address of record), and therefore does not renew the permit, the permit will lapse. Licensees who continue to hold out as a CPA or PA, or who perform public accounting services that are restricted to licensees, are subject to additional civil penalties of up to \$5,000 for each violation. For example, every instance of holding out, or every tax return signed are separate violations. If the licensee does not receive notice of the civil penalty (because the Board of Accountancy does not have a valid address for mailing), the Order will become final by default and the penalty is due and payable within 10 days. If the penalty is not paid, the permit will be suspended. Licensees who continue to hold out or to perform public accounting services while a permit is suspended risk revocation.

ORS 673.160 and OAR 801-010-0345 state the requirements for firm registrations and renewals. The renewal form includes a box to be checked by the licensee if the firm wishes to be terminated because registration as a public accounting firm is no longer required. Renewal applications requesting termination of the firm should also be returned to the Board. Renewal applications that are received after December 31 of the renewal period that is expiring are subject to a late fee. Renewal applications that are received after January 31 of the new renewal period are subject to a \$500 penalty for failure to renew.

OAR 801-040-0070 requires licensees to document CPE hours reported on the licensee's last renewal form when requested to do so by the Board. The Board conducts an audit of CPE reports after each renewal period. Licensees who do not respond to a CPE audit request letter within 21 days are subject to a \$250 civil penalty.

**Website:**

The Board updates the website ([www.boa.state.or.us](http://www.boa.state.or.us)) on a regular basis to keep licensees advised of Board activities. For information on topics such as the computer-based CPA Exam, proposed rules, calendar of events, Independence Task Force reports, please visit the tab marked "Keeping Current". The licensee database on the Board website is updated on a monthly basis. The information is accurate as of the date on the licensee search page. For current information on a licensee or firm, please contact the Board office at 503.378.4181 x21.

**DISCIPLINARY ACTIONS**

This is a brief description of action taken by the Board for violations of ORS Chapter 673 and OAR Chapter 801. This report is condensed and may not include all the facts set forth in the Board order. Readers should contact the Board for further information.

John B. Brams, #2650 May 11, 2004, civil penalties of \$15,000 and 40 additional hours of continuing professional education for failure to maintain objectivity and integrity, for failure to be free of conflicts of interest and for acts that would cause a reasonable person to have substantial doubts about the individual's honesty, fairness and respect for the rights of others and respect for the laws of the state and nation.

Stephan P. Sykes, #5555 May 19, 2004, public censure for failure to cooperate with a Board investigation.

A \$500 civil penalty was assessed against the following firms for failure to renew firm registration:

Melanie A. Correa CPA LLC, #1470  
Stevens & Neuman LLP, #652  
Glen A. Buchanan CPA PC, #780  
Thomas K. Hatfield CPA PC, #104  
William & Anderson PC, #513  
William R. Wood CPA, #1380  
Edward Culp CPA PC, #1668

James A. Dederer CPA PC, #1520  
John E. Thompson CPA PC, #251  
Michael R. Handy CPA PC #195  
Wallis & Keith LLP, #1683  
Kenneth R. Ribb CPA, #1492  
Michael G. Nease PC, #682

**2004 Board Meeting Schedule**

**August 23 – Salem**  
**October 17-18 – Hood River**  
**December 13 - Salem**

**Newsletters:** The *Accountancy News* is published every two months. It is posted on the web site ([www.boa.state.or.us](http://www.boa.state.or.us)). Licensees who would like to receive the newsletter by US mail or e-mail need to contact Kimberly Bennett at 503.378.4181 x 24 or [Kimberly.bennett@state.or.us](mailto:Kimberly.bennett@state.or.us)

**Board Members:**

**Stuart Morris, PA, Chair**  
5922 NE Sandy Blvd  
Portland, OR 97213

**James Gaffney, CPA, Vice Chair**  
Moss Adams LLP  
222 SW Columbia St #400  
Portland, OR 97201-6642

**Lynn Klimowicz, CPA, Sec-Treasurer**  
Slight, Klimowicz & Friel PC  
PO Box 1819  
Roseburg, OR 97470

**Jens Andersen, CPA**  
Jones & Roth PC  
432 W 11<sup>th</sup>  
Eugene, OR 97401

**Kent Bailey, CPA**  
Guyer Lindley Bailey & Martin CPAs PC  
2790 Main St  
Baker City, OR 97814

**Anastasia Meisner, Public Member**  
Guyer Meisner Attorneys  
16325 Boones Ferry Rd #205  
Lake Oswego, OR 97035

**Alan Steiger, CPA, Past Chair**  
adec  
PO Box 111  
Newberg, OR 97132